# GOVERNMENT OF INDIA
# DEFENCE
# LOK SABHA

UNSTARRED QUESTION NO:923
ANSWERED ON:22.07.2016
Ordnance Factories
Patole Shri Nanabhau Falgunrao

**Will the Minister of DEFENCE be pleased to state:**

(a) whether ordnance factories engaged in the manufacturing of arms and ammunition are facing stiff competition from the private companies, if so, the details thereof;

(b) whether any scheme for incentivizing the employees and officers of the ordnance factories for achieving production targets within the prescribed time frame is under consideration of the Government, if so, the details thereof;

(c) whether any responsibility of the concerned unit head and other senior officers is fixed by the Government for not completing the prescribed production targets in ordnance factories; and

(d) if so, the details thereof and if not, the reasons therefor?

## Answer

MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR)

(a) Under the provisions of DPP-2016, which governs the procedure for capital acquisitions, Ordnance Factories can participate in Request for Proposal (RFPs) of Service Headquarters (SHQs) and complete with the Indian Private Companies, Public Sector Undertakings (PSUs) & Defence Public Sector Undertakings (DPSUs) and foreign Original Equipment Manufacturers (OEMs). However, the Ministry reserves the right to nominate Ordnance Factory Board (OFB) as a Production Agency (PA) in acquisition proposal related to its product profile.

(b) No, Madam. However, a scheme of "Piece Work" system for incentivizing the production and maintenance workers is being followed as on date.

(c) & (d): The targets assigned to the factories are generally met. Sometimes the units fail to achieve the target on account of various reasons. They are:-

(i) Delay in availability of covering indent.
(ii) Non availability of material due to delay in financial clearance by the Competent Financial Authority (CFA).

(iii) Stoppage of production by User / Directorate General of Quality Assurance (DGQA) during the middle of the financial year.

(iv) Unforeseen / Unavoidable Machine Breakdown.

Performance of concerned Unit Head and other concerned Senior Officers vis-Ã -vis production targets is recorded by way of appropriate grading in the Annual Performance Appraisal Report.

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